

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING
(PROPOSAL NINE)

Docket No. RM2015-2

**REPLY COMMENTS OF THE UNITED STATES POSTAL SERVICE
REGARDING REVISED PROPOSAL NINE**
(June 10, 2015)

Pursuant to Order No. 2496 (May 20, 2015), the Public Representative on June 3, 2015 filed initial comments regarding certain revisions and refinements recently made to Proposal Nine. No other initial comments were filed. The Postal Service hereby responds to the Public Representative's comments.

In general, the Public Representative expressed concerns about documentation, rather than challenging the substance of the proposed changes. For example, the Public Representative requested that the Postal Service explain how training costs are allocated to office and to street. PR Comments at 4. Compared to the current methodology, however, no change in this allocation is proposed. Training costs (IOCS activity code 6519) are part of the Office/Street Burdens that are all distributed the same way. In workbook CS06&7_TACS.xlsx, see cell I35 in sheet 7.0.4.2. The overall costs are allocated to office, street and network in cells J29:J31. The distribution to products is then done in sheet 7.0.6, columns AE:AG.

The Public Representative pointed out a lack of documentation regarding changes to the CARMM program used to distributed costs of handling mixed mail back to products. PR Comments at 5. The CARMM program that will be used to develop costs by route group rather than by route type is attached to these comments

electronically as file ACARMMRG.rtf. This version of the program can be compared to the program ALBCARMM provided in the ACR in folder USPS-FY14-37. The impacts provided in USPS-FY15-RM2/3 included the impact of using the modified CARMM program.

The Public Representative also asked for more information linking the changes in the proposal to the original components (page 5):

- Assignment of work status category of IOCS tallies: This change only affects component 3, regarding how IOCS tallies are categorized. The change from the original Proposal Nine is to treat readings as in-office when the carriers are performing in-office activities (even when clocked to the street), and to treat readings as street when the carriers are performing street activities (even when clocked to office).
- LDC and MODS operations: This change affects component 1, how TACS hours are summarized into the control totals for various categories. LDC 92 hours are incorporated as a third category of carrier hours explicitly provided by TACS, and the assignment of certain MODS codes and LDCs is corrected.
- CARMM by route group: This was part of the implementation of component 7, reporting by route group rather than by route type, that was not complete at the time of the original filing.
- Workbook corrections: These are only corrections, not a change in methodology. Other changes in the workbook reflect formalization of the methodology to replace a number of shortcuts (initially required to calculate the impacts). They

also formalize the input of data from new sources such as DOIS and the revised CARMM program.

Overall, the Postal Service submits that the impediments to evaluation of Proposal Nine alleged by the Public Representative in her comments of June 3, 2015 either lack substance, or are sufficiently addressed in these reply comments. Therefore the Postal Service respectfully requests that the Commission approve Proposal Nine.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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